

**Frank Baxter**

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**From:** Link, Terry <tlink@ralaw.com>  
**Sent:** Thursday, September 5, 2019 9:55 PM  
**To:** Nealis, Peter (PNealis@taftlaw.com)  
**Cc:** Krebs, Patrick J. (pkrebs@taftlaw.com)  
**Subject:** RE: American Security & Audio Visual Systems

Hi Peter,

Thanks for your email and update regarding the NDA. The Company anticipates responding to your client's requests before the end of next week. (My understanding is that the Company is currently short-staffed by 8 employees due to the significant downturn in the Company's business).

As far as the vehicle, the Company is not taking any items off of the table in terms of the proposed agreement. Nor is it acting foolish or exerting unfair economic leverage over a shareholder. Rather, the Company is seeking to protect company property, and minimize the legal risks associated with the use of a company vehicle by a former employee; particularly here, where it is the Company's understanding that Ronnie has used the vehicle for his own project installations. Ronnie's status as a shareholder does not in and of itself entitle him to use company property. On a similar note, the Company also requests that Ronnie discontinue use of the cell phone, computer, and any other equipment provided to him by the Company, and turn in these items to the Company. The Company also expects Ronnie to promptly return the vehicle to the Company.

Please let us know the status of your consideration of the Equity Redemption Agmt and Confidentiality and Non-solicitation Agmt that the Company recently provided to Ronnie.

Thanks,  
Terry  
330 849 6755

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**From:** Nealis, Peter <PNealis@taftlaw.com>  
**Sent:** Thursday, September 5, 2019 11:58 AM  
**To:** Link, Terry <tlink@ralaw.com>  
**Cc:** Krebs, Patrick J. <pkrebs@taftlaw.com>  
**Subject:** RE: American Security & Audio Visual Systems

**EXT:**

Terry:

By way of an update and as a follow up on my voicemail, we have reviewed the NDA with Ronnie, and I think we are past the issues that held things up a few months back. We deliberately tailored our information request with these confidentiality considerations in mind. Yesterday Ronnie sent a signed version of the NDA directly to Frank.

Please let me know when we can expect to see the materials and information that we requested.

Also, you may not be aware, but Ronnie indicated that Frank had notified him that he was re-possessing the van, as early as today.

As you know, the van is one of the items of consideration offered as part of Ronnie's stock redemption, so it seems foolish to take yet another item off of the table. Even if there are insurance/liability issues associated with Ronnie's use of the van, there are far less extreme ways to handle, particularly where we are making progress on the settlement documents.

We view this as yet another attempt to exert unfair economic leverage over a departing shareholder. At some point, Ronnie will be left no other choice but to assert the remedies available to him as a minority shareholder.

Please check to confirm that Ronnie can remain in possession of the van while the parties are still talking.

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**From:** Link, Terry [<mailto:tlink@ralaw.com>]  
**Sent:** Monday, September 2, 2019 7:50 PM  
**To:** Nealis, Peter <[PNealis@taftlaw.com](mailto:PNealis@taftlaw.com)>  
**Cc:** Krebs, Patrick J. <[pkrebs@taftlaw.com](mailto:pkrebs@taftlaw.com)>  
**Subject:** RE: American Security & Audio Visual Systems

Hi Peter,

Thanks for your email. American Security and BPM would be glad to consider and respond to your client's requests, which are outlined in the bullet points in your email below. Before responding to them, though, please have your client sign the attached confidentiality agreement (which was sent to you last May). As previously indicated, Frank is willing to sign this agreement as well, and American Security continues to believe that it is critical for each shareholder to be subject to confidentiality obligations as it relates to the Company's sensitive financial information and other similar information. The terms of the attached agreement are consistent with the stated purpose of your client's requests, as set forth in your email below – i.e. to allow Ronnie to make an informed investment decision concerning the potential sale of his equity securities. As such, the Company will not entertain any revisions to this agreement. BPM will prepare and send a virtually identical agreement for your client's execution.

We look forward to receiving the executed confidentiality agreement, and promptly thereafter, responding to your client's requests.

Regards,  
Terry  
330 849 6755

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**From:** Nealis, Peter <[PNealis@taftlaw.com](mailto:PNealis@taftlaw.com)>  
**Sent:** Friday, August 30, 2019 4:27 PM  
**To:** Link, Terry <[tlink@ralaw.com](mailto:tlink@ralaw.com)>  
**Cc:** Krebs, Patrick J. <[pkrebs@taftlaw.com](mailto:pkrebs@taftlaw.com)>  
**Subject:** American Security & Audio Visual Systems

**EXT:**

Terry:

We are in the process of reviewing the attached revisions to the separation documents for Ronnie. One item impeding our review is the fact that Ronnie does not have access to updated financial and operational information concerning American Security & Audio Visual Systems, Securicom, and Baxter Property Management.

As you can surely appreciate – and in order to avoid claims and disputes later on – it is important and in the best interests of all parties involved that Ronnie be provided all information that is material to his decision on whether or not to tender his equity securities for sale back to the company.

On behalf of Ronnie, we are requesting that Ronnie be provided with access to the following items for his review:

- Financial Statements (including Balance Sheet and Profit and Loss Statement) for American Security/Securicom for the most recent month available.
- The most recent appraisal for the building owed by Baxter Property Management (we understand that the building is in the process of a refinance; if that is the case, then our request includes the appraisal that was generated in connection with that transaction).
- A current statement of Recurring Monthly Revenue of the American Security/Securicom business, as measured for customers of the business with installed alarm systems.
- Any documentation, calculations, or records relating to determination or payment of the “RMR Amount” and the “New Contract Amount,” as provided under the Asset Purchase Agreement for Securicom dated June 28, 2018. We are also asking for an accounting regarding payoff of the Promissory Note that was issued to seller under the terms of the Asset Purchase Agreement.

In addition to the foregoing, we would of course expect Frank and the companies to provide any additional information or disclosures that would be material to Ronnie’s investment decision on whether to tender his equity securities back to the company.

This request is being made in accordance with Ronnie’s rights as a shareholder pursuant to sections 1701.37 and 1705.22 of the Ohio Revised Code. The purpose of the request is to allow Ronnie to make an informed investment decision concerning the potential sale of his equity securities.

I know that everyone is trying to bring this matter to resolution as quickly as possible. In order to provide sufficient time for review, we ask that these materials be provided by no later than Friday, September 6.

Thank you for your assistance regarding this matter. Please call with any questions concerning the foregoing.

**Taft /**

**Peter Nealis / Partner**  
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